

FISCAL NOTE

HB 2579 – SB 3318

February 28, 2006

SUMMARY OF BILL: Allocates to any (Donelson-Hermitage) Chamber of Commerce (DHCC), whose district includes a home of a United States President (Andrew Jackson) and is in a city with a metropolitan form of government (Nashville), one-thousand five-hundred dollars (\$1,500) each month from state and local sales tax revenue derived on sales occurring within any such city. Requires that the allocation be used exclusively for the mailing expenses of the DHCC in responding to inquiries regarding the bountiful amenities of the district.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$12,900

Decrease Local Govt. Revenues - \$5,100

Other Fiscal Impact – the DHCC would be allocated \$18,000 per year earmarked for the mailing expenses of the DHCC. The DHCC would be responsible for any software modifications required of the Department of Revenue as a result of enactment of this legislation. Such costs are estimated at \$8,250 as a one-time expenditure of the DHCC.

Assumptions:

- This act is contingent upon the DHCC reimbursing the Department of Revenue for any software modifications required to implement this act.
- Software modifications are estimated at \$8,250.
- The total amount that would be allocated to the DHCC from state and local sales tax revenue is estimated at \$18,000 per year (\$1,500 X 12 months = \$18,000).
- State sales tax rate is equal to 7.00%.
- Local option sales tax rate for Nashville-Davidson County is 2.75%.
- The state's share would be approximately 71.8% ($7.00\% \div 9.75\% = 71.8\%$).

- Local government share would be approximately 28.2% ($2.75\% \div 9.75\% = 28.2\%$).
- The decrease of state revenues is estimated at \$12,900 ($\$18,000 \times 71.8\% = \$12,924$).
- The decrease of local government revenues is estimated at \$5,100 ($\$18,000 \times 28.2\% = \$5,076$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director